

House Bill 1348 (AS PASSED HOUSE AND SENATE)

By: Representatives Lucas of the 139th, Randall of the 138th, Graves of the 137th, Freeman of the 140th, and Cole of the 125th

A BILL TO BE ENTITLED

AN ACT

To amend an Act entitled "Macon Water Commissioners Pension Plan," approved December 20, 1953 (Ga. L. 1953 November-December Session, p. 2831), as amended, particularly by an Act approved March 24, 1994 (Ga. L. 1994, p. 3946), so as to provide a severance option for persons who terminate membership in such plan; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

An Act entitled "Macon Water Commissioners Pension Plan," approved December 20, 1953 (Ga. L. 1953 November-December Session, p. 2831), as amended, particularly by an Act approved March 24, 1994 (Ga. L. 1994, p. 3946), is amended by striking in its entirety paragraphs 7 and 8 of subsection (a) of Section 6 and inserting in lieu thereof the following:

"(7)(A) In the event a member terminates his or her service, or such service is terminated for any reason other than death or cause, for which the member receives benefit payments elsewhere under this Act, the member may elect to:

(i) Receive a severance benefit equal to the full amount of his or her total contributions to the Pension Fund, as calculated in subsection (a) of Section 4 of this Act, together with simple interest thereon at the rate of 75 percent of the actuarial interest assumption figures in effect during such member's time of service. Such interest shall be calculated on contributions made through the end of the year preceding the year of the member's termination; or

(ii) Roll such distribution over into an eligible retirement plan specified by the member.

(B) If a member fails to provide written consent and direction for distribution as provided in subparagraph (A) of this paragraph, the provisions of this subparagraph shall apply. If the amount of the member's benefit is less than \$1,000.00, the member

1 shall automatically receive a distribution of the benefit in a lump sum. If the amount
2 of the member's benefit is \$1,000.00 or more, the plan administrator shall pay such
3 benefit in a direct rollover to an individual retirement plan designated by the plan
4 administrator.

5 (8)(A) In the event a member with at least five years' service credit terminates his or
6 her service, or such service is terminated for any reason other than death or cause, for
7 which service such member is not entitled to receive benefits elsewhere under this
8 Pension Plan, such member's benefits shall be vested. The member may elect an option
9 under this paragraph. A member shall be notified of his or her option to leave his or her
10 contributions in the plan by certified mail, return receipt requested, and shall have 12
11 months in which to make an election to remain in the plan or withdraw his or her
12 contributions.

13 (B) If a member subject to this paragraph elects not to withdraw his or her
14 contributions from the fund, he or she may either:

15 (i) Defer receiving a benefit until he or she reaches age 63; or

16 (ii) If his or her service would have totaled 25 years at age 63 if he or she had
17 remained in the service of the authority, begin receiving an actuarially reduced benefit
18 prior to age 63.

19 (C) If a member subject to this paragraph elects to withdraw his or her contributions
20 from the plan, the member may either:

21 (i) Receive such distributions directly; or

22 (ii) Roll such distribution over into an eligible retirement plan specified by the
23 member.

24 (D) If a member fails to make an election under this paragraph within 12 months of
25 termination of service, the provisions of this subparagraph shall apply. If the amount
26 of the member's benefit is less than \$1,000.00, the member shall automatically receive
27 a distribution of the benefit in a lump sum. If the amount of the member's benefit is
28 \$1,000.00 or more, the plan administrator shall pay such benefit in a direct rollover to
29 an individual retirement plan designated by the plan administrator."

30 SECTION 2.

31 All laws and parts of laws in conflict with this Act are repealed.